



TRICARE
MANAGEMENT
ACTIVITY

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS

SKYLINE FIVE, SUITE 810, 5111 LEESBURG PIKE
FALLS CHURCH, VIRGINIA 2041-3206

MEMORANDUM FOR SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE

SUBJECT: Clarification of Billing Other Health Insurance (OHI) for Medical Services Account (MSA) Patients

This memorandum is in response to questions raised regarding appropriate billing procedures for MSA patients with OHI and provides clarification of current policy regarding this issue. The Military Treatment Facility (MTF) Uniform Business Office (UBO) Manual, 6010.15-M, April 1997, is the source document for the following discussion. Chapter 3, Medical Services Account, section L, Billing Procedures, paragraph 1, General, states the following:

"The MSA officer shall generate a bill for each eligible patient. Before discharge or treatment, the MSA billing office shall clear all pay patients. Inpatients must settle their account before discharge. Collections from pay patients must occur before non-emergency outpatient care. The MSA officer shall establish procedures to ensure that patients who are discharged after normal duty hours are provided the opportunity to either pay their bill or elect other payment arrangements."


This section only distinguishes between pay and non-pay patients. It does not distinguish between patients who have OHI and those that do not. Patients must pre-pay before obtaining any non-emergency outpatient care (DoD 6010.15-M, page 3-5, section L, paragraph 1). An MTF would be unable to comply with this requirement if a facility were to bill OHI for outpatient treatment, since a complete UB-92 claim (one that includes the patient's actual E&M and CPT codes) cannot be generated prior to the visit.

For those patients who are discharged [this term applies to inpatients and extended care visits such as Ambulatory Procedure Visits (APV) and Observation], they must pay their bill at this time or elect other payment arrangements. This concept implies a system for billing inpatient care to the patient (or their insurance company) at a later date if they did not pay in full upon discharge in accordance with DoD 6010.15-M, Chapter 3, section L, paragraph 7, Billing Non-DoD Beneficiary Patients Who Are Covered by Health Insurance Plans. Note however, their insurance or health plan must provide coverage for the services provided in order for this policy to apply. It is noted that Observation and APVs are not inpatient services. However, as these extended care services also differ significantly from other outpatient services with higher costs, they are to be treated in the same category as inpatient for purposes of OHI billing.

Therefore, for outpatients, the patient must pay for the cost of the visit prior to the service. An eligible inpatient or extended care (observation and ambulatory procedure visit) patient is responsible for the charges and must pay the bill within 30 days of the date of discharge. The only exception is if this patient has OHI, whereupon the MTF bills their insurance company and balance bills the patient for any amount not paid by the OHI within 6 months. This patient must still sign a statement acknowledging their indebtedness to the MTF as well as an authorization form providing the MTF with the authority to bill on their behalf.

Overseas facilities with waivers for Third Party Collection (TPC) Program must still comply with this policy and bill OHI for MSA inpatients as appropriate. Their waivers only apply to billing OHI under TPC, not MSA. Therefore, while completion of a claim form (i.e., UB-92) is not required for outpatients, MTFs must make every effort to provide the MSA patient with documentation for these healthcare services in order to better support their insurance/health plan claim. In addition, facilities should provide instructional materials to the MSA population educating them on the DoD rate structure, billing policy, and suggested tips for claim submission. While some MSA patients are not DoD beneficiaries, they are MTF customers, and we should accommodate their needs within current policy.

Currently, a review of DoD 610.15 M is in progress. It is understood that the present wording has caused conflicting interpretation and changes will be made to correct this. It is the desire of this Department to change this regulation to include billing of OHI for outpatient services for the MSA population. However, there are various implications with this practice that require further research and this is currently being addressed. The Services are welcome to submit for consideration any proposed changes up through their chain of command to TMA/FA&I regarding the billing policy of MSA patients. If you have any questions regarding this memorandum, you may contact Major Rose Layman at (703) 681-8910, or email, Rose.Layman@tma.osd.mil.


H. James T. Sars, M.D.
Executive Director